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**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/3/07

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007**

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BASIC FINANCIAL STATEMENTS

MARY SUE STAGES, CPA
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.....
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Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT ACCOUNTANTS' REPORT

To the Board Members of the
Louisiana State Board of Physical Therapy Examiners
104 Fairlane Drive
Lafayette, Louisiana 70507

We have reviewed the accompanying basic financial statements of the Louisiana State Board of Physical Therapy Examiners as of and for the year ended June 30, 2007, as listed in the table of contents. These basic financial statements are the responsibility of the Louisiana State Board of Physical Therapy Examiners' management.

Our review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. A review consists principally of inquiries of Board personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

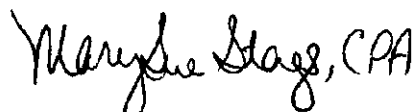
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated August 22, 2007, on the results of our agreed-upon procedures.

The management's discussion and analysis and budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

To the Board Members of the
Louisiana State Board of Physical Therapy Examiners
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The accompanying supplemental information listed in the table of contents under Supplemental Schedules and Information and Other Required Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive style with a large, stylized "M" and "S".

Mary Sue Stages, CPA
A Professional Accounting Corporation
August 22, 2007

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

The purpose of this section is to offer management's discussion and analysis of the Louisiana State Board of Physical Therapy Examiners of the State of Louisiana's (hereafter referred to as the Board) financial performance during the year ended June 30, 2007. It should be read in conjunction with the financial report taken as a whole.

Overview of the Financial Statement Presentation

These financial statements are comprised of these components – (1) management's discussion and analysis, (2) basic financial statements, (3) notes to the financial statements and (4) required supplementary information. There is also other supplementary information contained in this report provided for additional information.

Highlights of the Board as a Whole

The board hired Lafayette Websites to redesign the webpage to include e-commerce. There are many more features available for licensees and the public to use. The licensee can request verifications of license and renew a license online with quick response. The public has the option to search for a licensee by location and can also verify a license by name.

As required by state rule, the Board is now exchanging data with the Department of Social Services (DSS). The data will be used to assist DSS with collecting delinquent child support payments.

The Executive Director attended a webinar to obtain information regarding Image Direct Deposit features and requirements. Upon reporting to the board the benefits of Image Direct Deposit, the Board approved the purchase and use of the equipment required for the banking service. The necessary equipment cost is \$1050 and cost for normal processing deposits will apply. This will allow staff to process receipts from the board office as opposed to making a daily trip to the bank to deposit funds received.

The Board discussed the process of approving permanent license upon receipt of all requirements for an applicant. The Board requested the Executive Director establish and implement a Policy and Procedure to approve licenses on a daily basis upon receipt of all requirements. This process would provide licensure immediately after passing the licensure exam and/or completing all requirements for licensure by reinstatement or reciprocity.

In June 2007, the Board published an advertisement in the Acadiana Profile. The purpose of the advertisement is to clarify the mandate of the Board of Physical Therapy Examiners and the mission of the Louisiana Physical Therapy Association. This particular edition of the magazine was featuring physical therapy in their next medical segment. The board had previously discussed beginning an advertising campaign to clarify several issues that had come before the board. The advertisement also provided information on how to file a complaint with the Board. Investigation began with an advertising firm from Monroe, LA to discuss what would be the direction of the campaign and what media would work best to produce the best results. The regional magazine has subscribers in dozens of

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
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Acadiana communities which covers south Louisiana as far north as Alexandria.

The Board received approximately 60 complaints regarding alleged violations of the Physical Therapy Practice Act and Rules and Regulations. Approximately 90% of complaints are dealt with on an informal basis. These allegations are dealt with either by letter and/or by informal conference with the individual or business after proper investigation.

The activity of the Board includes:

Federation of State Boards of Physical Therapy (FSBPT) - The FSBPT develops and administers the National Physical Therapy Examination (NPTE) for both physical therapists and physical therapist assistants in 53 jurisdictions.

Annually, the Federation provides educational programs for member boards and other bodies interested in effective licensure, regulation, and enforcement in the practice of physical therapy. As an active participant in Federation activities, our Board sends Board members and its Director to participate on Federation business in its annual meeting. This is done to assure broad and active participation in the governance of the organization and in educational presentations.

Board Members attending the Federation's Annual Meeting in Portland in September 2006 were Mark Brown, Barbara Adcock, Kara Williams, and Dan Wood. Board Executive Director Cheryl Gaudin and board legal counsel Glenn Ducote also attended. Educational topics included:

- DPT Licensing Designator or Academic Degree
- Referral for Financial Gain: A Regulatory Issue
- Legislative Considerations for Assessing Scope of Practice
- Keynote Address: Physical Therapy Manpower Shortage
- Ten Easy Ways To Lose Your License
- Behavior and Discipline: Student to Licensee
- How Your Board Can Regulate Unlicensed Practice: Step by Step
- Limiting the Number of Attempts to Pass the Licensure Exam
- PT Boards Licensing Physical Therapy Facilities
- Clinical Performance Instrument and Generic Abilities Assessment
- Sanctions Differ From Profession to Profession
- Continuing Competence Tools
- How Do You Educate for Compliance?
- Ethical Decision Making to Avoid Disciplinary Actions

Mark Brown serves as a member of the Ethics Committee. He was appointed by the Federation of State Boards of Physical Therapy.

Cheryl Gaudin is a member of the Council of Board Administrators (CBA). The CBA has a one day meeting during the Annual Meeting with their own educational agenda to discuss licensing issues.

Federation of Association of Regulatory Boards (FARB) -- FARB shares information related to professional regulations, particularly in the area of administration, assessment and law.

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The Attorney Certification Seminar is offered to legal counsel, board members, and directors. The Attorney Certification Seminar was attended in 2006 by legal counsel Glenn Ducote, Board Member Mark Brown, and Executive Director Cheryl Gaudin in Seattle, WA.

FARB also offers an Annual FARB Forum which is generally held in the spring. The Forum is open to board administrators and Board Members. Barbara Adcock, Dan Wood, and Kara Williams attended the Annual FARB Forum in 2007.

Governor's Workforce Council Member

Cheryl Gaudin was appointed by the Board of Physical Therapy Examiners to represent the board on the Workforce Council. Meetings are held every other month in Baton Rouge.

Conference and Meeting Presentations

Annually, the Board of Physical Therapy Examiners conducts a group interview with all Louisiana graduating physical therapists and physical therapist assistant students. This group interview is in lieu of the personal interview required by the La Physical Therapy Practice Act and Rules and Regulations. The interview consists of compliance issues with the rules and rules for application for licensure. The Board conducted the group interviews at the following locations:

- LSU Health Science Center – Shreveport campus
- LSU Health Science Center – New Orleans campus
- Bossier Parish Community College – Bossier City
- Delgado Community College – New Orleans
- Our Lady of the Lake Community College – Baton Rouge

Basic Financial Statements. The basic financial statements present information for the Board as a whole. Statements in this section include the following:

Statement of Net Assets. This statement presents information on all of the Board's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or not.

Statement of Revenues, Expenses and Changes in Fund Net Assets. This statement presents information showing how the Board's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Board's financial reliance on general revenues.

Statement of Cash Flows. The change in cash as a result of current year operations is depicted in this statement. The cash flow statement includes a reconciliation of operating income (loss) to the net cash provided by or used for operating activities as required by GASB No. 34.

The basic financial statements begin on page 11 of this report.

LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The index of the notes is found on page 16 with the actual notes beginning immediately afterwards.

Required Supplementary Information. As a component unit of the State of Louisiana, the Board complies with the reporting requirements of the Division of Administration, Office of Statewide Reporting and Accounting. Included as other required supplementary information is the Louisiana Comprehensive Annual Financial Report completed with information relative to the Board.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that is deemed useful to users of this report.

Financial Analysis of the Board

Net assets are an indicator of the Board's financial position from year to year. A summary of net assets follows.

SUMMARY OF NET ASSETS

	<u>2007</u>	<u>2006</u>
Assets		
Current assets	\$ 143,887.46	\$ 44,619.93
Non-current assets	607,957.21	731,523.47
Capital assets, net	<u>45,136.25</u>	<u>73,705.67</u>
Total Assets	796,980.92	776,143.40
Liabilities		
Current liabilities	10,465.64	15,408.05
Long-term liabilities	<u>8,953.92</u>	<u>7,812.30</u>
Total Liabilities	<u>19,419.56</u>	<u>23,220.35</u>
Net Assets		
Invested in capital assets, net of related debt	\$ 45,136.25	\$ 73,705.67
Unrestricted	<u>732,425.11</u>	<u>679,217.38</u>
Total Net Assets	<u>777,561.36</u>	<u>776,143.40</u>

Net assets of the Board increased by \$1,418 or 1% from June 30, 2006 to June 30, 2007.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

A summary of changes in net assets is as follows:

SUMMARY OF CHANGES IN NET ASSETS

	<u>2007</u>	<u>2006</u>
Operating Revenues	\$ 424,516.31	\$ 426,342.24
Operating Expenses	(415,227.45)	(387,160.71)
Operating Income	9,288.86	39,181.53
Non-operating Revenues (Expenses)	15,349.45	20,559.74
Net Increase in Net Assets	<u>24,638.31</u>	<u>59,741.27</u>

Revenues decreased by \$1,826 or 1% while expenses increased by \$28,067 or 8%. The Board expended funds for updates to its website and to accept renewals online.

Cash flow activity of the Board for the past two years is as follows:

STATEMENT OF CASH FLOWS

	<u>2007</u>	<u>2006</u>
Cash and cash equivalents provided by (used for):		
Operating activities	\$ 36,906.17	\$ 71,168.49
Non-capital financing activities	.00	.00
Capital and related financing activities	(2,848.68)	(71,782.28)
Investing activities	67,645.38	(14,317.89)
Net Change in Cash and Cash Equivalents	101,702.87	(14,317.89)
Cash and cash equivalents, beginning of year	<u>31,362.11</u>	<u>46,293.79</u>
Cash and cash equivalents, end of year	<u>133,064.98</u>	<u>31,362.11</u>

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
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STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

Capital Asset and Debt Administration

Capital Assets: The Board's investment in capital assets, net of accumulated depreciation, at June 30, 2007 and 2006, was \$45,136.25 and \$73,705.67, respectively. Additions in the current year included computer software. All assets were recorded with the State of Louisiana and a detailed list is maintained.

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS		
Net of Accumulated Depreciation		
	<u>2007</u>	<u>2006</u>
Depreciable Assets		
Furniture/fixtures	\$ 5,979.62	\$ 9,498.33
Computers and related assets	38,769.36	63,377.46
Leasehold Improvements	387.27	829.88
Total	<u>45,136.25</u>	<u>73,705.67</u>

Debt Administration: Long-term debt of the Board includes compensated absences at amounts of \$8,953.92 and \$7,812.30 at June 30, 2007 and 2006, respectively.

The Board has no other long-term debt.

Request for Information

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations and demonstrate the Board's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Cheryl Gaudin, Executive Director, at 104 Fairlane Drive, Lafayette, Louisiana 70507, 337-262-1043.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2007**

	<u>Business-type Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 133,064.98
Accrued interest receivable	<u>10,822.48</u>
Total Current Assets	143,887.46
Non-Current Assets	
Investments	607,957.21
Capital assets, net of accumulated depreciation	
Furniture and fixtures	5,979.62
Computer and related assets	38,769.36
Leasehold improvements	<u>387.27</u>
Total Non-Current Assets	<u>653,093.46</u>
TOTAL ASSETS	<u><u>796,980.92</u></u>
LIABILITIES	
Current Liabilities	
Accounts payable	9,597.48
Accrued salaries	<u>868.16</u>
Total Current Liabilities	10,465.64
Non-Current Liabilities	
Compensated absences payable	<u>8,953.92</u>
Total Liabilities	19,419.56
NET ASSETS	
Invested in capital assets, net of related debt	45,136.25
Unrestricted	<u>732,425.11</u>
Total Net Assets	<u><u>777,561.36</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>796,980.92</u></u>

See Accompanying Notes and Accountants' Report

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2007**

	<u>Business-type Activities</u>
OPERATING REVENUES	
Licenses and other fees	\$ 424,516.31
OPERATING EXPENSES	
Professional services	125,444.54
Meetings, conferences and travel	39,368.73
Salaries and related benefits	136,065.78
General and administrative expenses	82,930.30
Depreciation	31,418.10
Total Operating Expenses	<u>415,227.45</u>
Operating Income	9,288.86
NON-OPERATING REVENUES (EXPENSES)	
Interest income	<u>15,349.45</u>
Change in Net Assets	24,638.31
Total Net Assets, beginning	<u>752,923.05</u>
Total Net Assets, ending	<u><u>777,561.36</u></u>

See Accompanying Notes and Accountants' Report

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2007**

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 424,516.31
Cash paid to suppliers for goods and services	(252,751.26)
Cash paid to employees for services	(134,858.88)
Net Cash Provided by Operating Activities	<u>36,906.17</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(2,848.68)
Net Cash Used for Capital and Related Financing Activities	<u>(2,848.68)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of certificates of deposit	(150,000.00)
Proceeds from certificates of deposit redeemed	199,860.59
Interest earned on certificates of deposit	17,784.79
Net Cash Used for Investing Activities	<u>67,645.38</u>
Net Increase in Cash and Cash Equivalents	101,702.87
Cash and Cash Equivalents, beginning of year	<u>31,362.11</u>
Cash and Cash Equivalents, end of year	<u><u>133,064.98</u></u>

Continued

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED JUNE 30, 2007**

	<u>Business-type Activities</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 9,288.86
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	31,418.10
Increase (decrease) in liabilities	
Accounts payable	(5,007.69)
Accrued expenses	65.28
Compensated absences payable	<u>1,141.62</u>
Net Cash Provided by Operating Activities	<u><u>36,906.17</u></u>

See Accompanying Notes and Accountants' Report

NOTES TO FINANCIAL STATEMENTS

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
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INDEX TO NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

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LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

INTRODUCTION

The Louisiana State Board of Physical Therapy Examiners is a component unit of the State of Louisiana. It was created by Act 208 of the Regular Session of the 1987 Legislature within the Department of Health and Hospitals as provided by Louisiana Revised Statute 37:2401.1. The Board serves as a statewide authority to license and regulate the physical therapists and physical therapist assistants practicing in the State of Louisiana. It is also charged with the responsibility to interpret the scope of practice, write regulations and discipline licensees who have violated the law.

The Board is composed of 5 members that are appointed by the Governor of the State of Louisiana and serve three-year terms. Four of the members are selected from within the profession who possess an unrestricted license to practice physical therapy and who has been practicing within the state for no less than three years, one of which is appointed from a list of names submitted by the Louisiana Hospital Association. The fifth member is a physician who possesses an unrestricted license to practice medicine in the state and who specializes in the practice of orthopedic surgery or the practice of physiatry. This member is appointed from a list of names submitted by the Louisiana Medical Society. Board members, as authorized by Louisiana Revised Statute 38:3304, receive a per diem to attend meetings or conduct board-approved business not to exceed \$50 per day.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Louisiana State Board of Physical Therapy Examiners conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Board is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Louisiana State Board of Physical Therapy Examiners.

Fund Accounting: The Board uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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A fund is a separate entity with a self-balancing set of accounts. Funds of the Board are classified under one category: proprietary. This category, in turn, is further divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Proprietary Funds – used to account for governmental activities that are similar to activities performed by commercial enterprises in that goods/services are provided for a fee. Proprietary funds of the Board included the following fund types:

1. Enterprise – account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification, and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles and are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

Basis of accounting refers to when revenues and expenses are recognized and reported and relates to the time of the measurement, regardless of the measurement focus applied. The fund financial statements of the Board are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

Application of FASB Statements and Interpretations: Reporting on governmental-type and business-type activities is based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Operating/Non-Operating Revenues: Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Board's licensing activities are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

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DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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Budgets and Budgetary Accounting: The Board adopts an annual budget prepared in accordance with the basis of accounting utilized by that fund. The Board must approve any revisions that alter the total expenditures. Although budget amounts lapse at year-end, the Board retains its unexpended net assets to fund expenditures of the succeeding year.

The budget is submitted to the Louisiana Department of Health and Hospitals as prescribed by Louisiana Revised Statute 36:803 and submitted to the Legislature in accordance with 39:1331-1342.

Cash and Cash Equivalents: Cash and cash equivalents include amounts in demand deposits. Under state law, the Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

Inventory: Inventory of the Board includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: The Board's assets are recorded at historical cost. Depreciation is recorded using the straight-line method or MACRS over the estimated useful lives of the assets as follows:

Equipment	4-10 years	Office furniture	5-7 years
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Generally, the Board includes all capital acquisitions with a cost of \$1,000 in its fixed asset inventory. However, certain items at a cost below that amount may be capitalized if benefits of the item will extend beyond one year and/or the Board wants to monitor the item.

Compensated Absences: At June 30, 2007, employees of the Board had accumulated and vested \$8,953.92 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.150.

LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Net Assets: In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net Assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, the non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use. Restricted resources are exhausted before unrestricted net assets are used.

NOTE 2 – CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 2007:

	<u>Book Balance</u>	<u>Bank Balance</u>
Demand deposits	\$ 133,064.98	\$ 190,461.93

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within this category. Deposits of the Board are secured with \$300,000 (Chase and Union Banks) of insurance through FDIC and \$644,068.82 of pledged collateral insuring the Board's investments as well..

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 3 – INVESTMENTS

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity or are held either by the counter-party or the counter-party's trust department or agent but not in the entity's name. All investments of the Board are certificates of deposit with maturities extending beyond 90 days. They are not subject to custodial credit risk.

At June 30, 2007, the Board had three certificates whose reported amount equaled its fair value as follows:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Union Bank	11/16/07	4.65%	\$ 354,124.99
Union Bank	2/27/08	5.00%	100,000.00
Chase Bank	5/22/08	4.96%	<u>153,812.22</u>
Total			<u>607,957.21</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Furniture and fixtures	\$ 35,322.69	\$.00	\$.00	\$ 35,322.69
Less: accumulated depreciation	<u>25,824.36</u>	<u>3,518.71</u>	<u>.00</u>	<u>29,343.07</u>
Net Furniture and Fixtures	9,498.33	(3,518.71)	.00	5,979.62
Computer and related assets	124,015.84	2,848.68	.00	126,864.52
Less: accumulated depreciation	<u>60,638.38</u>	<u>27,456.78</u>	<u>.00</u>	<u>88,095.16</u>
Net Computer and Related Assets	63,377.46	(24,608.10)	.00	38,769.36
Leasehold improvements	1,383.16	.00	.00	1,383.16
Less: accumulated depreciation	<u>553.28</u>	<u>442.61</u>	<u>.00</u>	<u>995.89</u>
Net Leasehold Improvements	829.88	(442.61)	.00	387.27
Net Capital Assets, being depreciated	<u>73,705.67</u>	<u>(28,569.42)</u>	<u>.00</u>	<u>45,136.25</u>

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 5 – LEAVE

Annual and Sick Leave. The Board's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service. Accumulated leave is carried forward to succeeding years without limitation. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned. Only annual leave is accrued in the accompanying statements of net assets at \$8,953.92.

Compensatory Leave. Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no accrued compensatory leave time recorded at June 30, 2007.

NOTE 6 – RETIREMENT SYSTEM

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System (System), a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service or (c) age 60 with 10 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting the Louisiana State Employees Retirement System, P. O. Box 44213, Baton Rouge, La. 70804-4213, 225-922-0605 or 800-256-3000.

Covered employees are required to contribute 7.5% of gross salary to the plan, and the Board is required to contribute at an actuarially determined rate as required by Louisiana Revised Statute 11:102. That rate for the year ended June 30, 2007, was 19.1%. Contributions to the System for the years ended

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

June 30, 2007, 2006 and 2005, were \$22,719.92, \$18,478.37 and \$12,805.80, respectively.

NOTE 7 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board may provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Board's employees become eligible for those benefits if they reach normal retirement age while working for the Board. Those benefits include joint payment of monthly premiums at 50% Board and 50% retired person. The Board does not currently have any retired persons to which it provides post retirement benefits.

NOTE 8 – LEASES

Operating Leases. The Board executed a lease for office space beginning on June 1, 2004. It is for a period of ten years payable at \$2,677.50 per month or \$32,130 annually for the next ten years. For the year ended June 30, 2007, lease payments of \$32,130 were made.

A copier is leased on a month-to-month basis from Kyocera Mita of America Inc. for \$194 per month or \$2,328 annually.

Capital Leases. The Board has no capital leases.

NOTE 9 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2007:

<u>Class of Payables</u>	<u>Amount</u>
Accounts	\$ 9,597.48
Salaries	<u>868.16</u>
Total	<u>10,465.64</u>

NOTE 10 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2007, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	<u>\$ 7,812.30</u>	<u>\$ 7,618.58</u>	<u>\$ 6,476.96</u>	<u>\$ 8,953.92</u>	<u>\$.00</u>

The Board did not have any other long-term debt at June 30, 2007.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 11– RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

NOTE 12 – LITIGATION

There is no litigation that would require disclosure in this report.

NOTE 13 – SUBSEQUENT EVENTS

There were no events between the close of the year through issuance of this report that would materially impact these financial statements.

SUPPLEMENTAL SCHEDULES AND INFORMATION

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2007**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES				
Licenses and other fees	\$ 371,450.00	\$ 371,450.00	\$ 424,516.31	\$ 53,066.31
OPERATING EXPENSES				
Professional services	207,500.00	207,500.00	125,444.54	82,055.46
Meetings, conferences and travel	39,500.00	39,500.00	39,368.73	131.27
Salaries and related benefits	150,300.00	150,300.00	136,065.78	14,234.22
General and administrative expense:	83,330.00	83,330.00	82,930.30	399.70
Depreciation	50,000.00	50,000.00	31,418.10	18,581.90
Total Operating Expenses	530,630.00	530,630.00	415,227.45	115,402.55
Operating Income (Loss)	(159,180.00)	(159,180.00)	9,288.86	168,468.86
NON-OPERATING REVENUES (EXPENSES)				
Interest income	12,000.00	12,000.00	15,349.45	3,349.45
Change in Net Assets	(147,180.00)	(147,180.00)	24,638.31	171,818.31
Fund Balances, beginning	752,923.05	752,923.05	752,923.05	-
Fund Balances, ending	605,743.05	605,743.05	777,561.36	171,818.31

See Accountants' Report

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2007**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem paid to board members is presented for the year ended June 30, 2007.

Name

Adcock, Barbara	\$ 2,100.00
Brown, Mark	2,050.00
Drury, Todd	1,250.00
Williams, Kara	<u>1,700.00</u>
Total	<u>7,100.00</u>

See Accountants' Report

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Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors of the
Louisiana State Board of Physical Therapy Examiners
104 Fairlane Drive
Lafayette, Louisiana 70507

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Louisiana State Board of Physical Therapy Examiners and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Board's compliance with certain laws and regulations during the year ended June 30, 2007, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures in excess of \$20,000 for material and supplies or \$100,000 for public works made during the year.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a regular meeting.

7. Compare the revenues and expenditures of the final budget to actual expenditures to determine if actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total.

We compared the expenditures of the final budget to actual expenditures. Expenditures for the year did not exceed budgeted amounts by more than 10% in any one category. Expenditures for the year did not exceed budgeted amounts by more than 5% in total.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Director and Board where applicable.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Board is required to post a notice of each meeting and the accompanying agenda. Management has asserted that such documents were properly posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances or gifts.

A reading of the minutes of the Board for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances that would indicate payments to employees that would constitute bonuses, advances or gifts.

Our prior year report, dated August 21, 2006, did not include any comments or unresolved matters.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Board and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under LSA-RS 24:513, this report is distributed by the Legislative Auditor as a public document.



Mary Sue Stages, CPA
A Professional Accounting Corporation
August 22, 2007

LOUISIANA ATTESTATION QUESTIONNAIRE

(For Attestation Engagements of Government)

June 28, 2007 (Date Transmitted)

Mary Sue Stages, CPA, APAC

P. O. Box 30

Baker, Louisiana 70704-0030

In connection with your review of our financial statements as of June 30, 2007 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of _____ (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes ☒ No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Secretary Date

Paul Williams SECRETARY Treasurer 6/28/07 Date

Barbara Heach CHAIRMAN President 6/28/07 Date

OTHER REQUIRED SUPPLEMENTARY INFORMATION

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2007**

LOUISIANA'S COMPREHENSIVE ANNUAL FINANCIAL REPORT

As a component unit of the State of Louisiana, the financial statements of the Louisiana State Board of Physical Therapy Examiners are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration. The amounts recorded have been subjected to the same review procedures as those recorded in the accompanying financial statements.

LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2007

C O N T E N T S

Statements

MD&A

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**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2007**

The Management's Discussion and Analysis of the Louisiana State Board of Physical Therapy Examiner's financial performance presents a narrative overview and analysis of Louisiana State Board of Physical Therapy Examiner's financial activities for the year ended June 30, 2007. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Louisiana State Board of Physical Therapy Examiner's financial statements, which begin on page 40.

FINANCIAL HIGHLIGHTS

- ★ The Louisiana State Board of Physical Therapy Examiner's assets exceeded its liabilities at the close of fiscal year 2007 by \$777,561, which represents a 1% increase from last fiscal year. The net assets increased by \$1,418.
- ★ The Louisiana State Board of Physical Therapy Examiner's revenues decreased by \$1,826 (or 1%). Expenses increased by \$28,067 or 8%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

Management's Discussion and Analysis

Basic Financial Statements

**Required Supplementary Information
(other than MD&A)**

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Louisiana State Board of Physical Therapy Examiners as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2007**

The Balance Sheet (page 40) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana State Board of Physical Therapy Examiners is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (pages 41 - 42) presents information showing how Louisiana State Board of Physical Therapy Examiner's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 43 - 44) presents information showing how Louisiana State Board of Physical Therapy Examiner's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
as of June 30, 2007
(in thousands)

	Total	
	2007	2006
Current and other assets	\$ 144.00	\$ 45.00
Non-current assets	608.00	658.00
Capital assets	45.00	74.00
Total assets	797.00	777.00
Current liabilities	10.00	15.00
Long-term debt outstanding	19.00	8.00
Total liabilities	29.00	23.00
Net assets:		
Invested in capital assets, net of debt	45.00	74.00
Restricted	-	-
Unrestricted	732.00	680.00
Total net assets	\$ 777.00	\$ 754.00

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of Louisiana State Board of Physical Therapy Examiner's increased by \$1,418, or 1%, from June 30, 2006 to June 30, 2007. One reason for the increase is a result of sound management over expenses.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2007**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2007
(in thousands)**

	<u>Total</u>	
	<u>2007</u>	<u>2006</u>
Operating revenues	\$ 425.00	\$ 426.00
Operating expenses	<u>415.00</u>	<u>387.00</u>
Operating income(loss)	<u>10.00</u>	<u>39.00</u>
Non-operating revenues(expenses)	<u>15.00</u>	<u>21.00</u>
Income(loss) before transfers	<u>25.00</u>	<u>60.00</u>
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Net increase(decrease) in net assets	\$ <u>25.00</u>	\$ <u>60.00</u>

The Louisiana State Board of Physical Therapy Examiner's total revenues decreased by \$1,826 or 1% while expenses increased by \$28,067 or 8%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2007, the Louisiana State Board of Physical Therapy Examiners had \$45,136 invested in a broad range of capital assets. (See Table below)

**Capital Assets at Year-end
(Net of Depreciation, in thousands)**

	<u>2007</u>	<u>2006</u>
Furniture/fixtures	\$ 6	\$ 10
Computers and related assets	39	63
Leashold improvements	<u>0</u>	<u>0</u>
Totals \$	\$ <u>45</u>	\$ <u>73</u>

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2007**

Debt

The Board (BTA) had \$8,954 in compensated absences at June 30, 2007.

The Board has no other long-term debt.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$53,066 over budget and expenditures were less than budget by \$115,403.

CONTACTING THE BOARD'S (BTA) MANAGEMENT

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations and demonstrate the Board's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Cheryl Gaudin, Executive Director, at 104 Fairland Drive, Lafayette, Louisiana 70507, 337-262-1043.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
BALANCE SHEET
AS OF JUNE 30, 2007**

2007 SEP 27 AM 9:51

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 133,065
Investments	
Receivables (net of allowance for doubtful accounts)(Note U)	10,822
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	143,887

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Notes receivable	
Investments	607,957
Capital assets (net of depreciation)(Note D)	
Furniture and fixtures	5,980
Computer and related assets	38,769
Leasehold improvements	387
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	653,093
Total assets	\$ 796,981

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 10,466
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities:	
Contracts payable	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	10,466

NON-CURRENT LIABILITIES:

Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	8,954
Capital lease obligations (Note J)	
Claims and litigation payable (Note K)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	8,954
Total liabilities	19,420

NET ASSETS

Invested in capital assets, net of related debt	45,136
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	732,425
Total net assets	777,561
Total liabilities and net assets	\$ 796,981

The accompanying notes are an integral part of this financial statement.
Statement A

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	424,516
Other	_____
Total operating revenues	424,516
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	383,809
Depreciation	31,418
Amortization	_____
Total operating expenses	415,227
Operating income(loss)	9,289
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	15,349
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	_____
Other expense	_____
Total non-operating revenues(expenses)	15,349
Income(loss) before contributions and transfers	24,638
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	24,638
Total net assets – beginning as restated	752,923
Total net assets – ending	\$ 777,561

The accompanying notes are an integral part of this financial statement.
Statement B

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007**

See Appendix A for instructions

	Program Revenues			Net (Expense)
		Operating	Capital	Revenue and
	Expenses	Charges for	Grants and	Changes in
		Services	Grants and	Net Assets
		Contributions	Contributions	
Entity	\$ 415,227	\$ 424,516	\$	\$ 9,289
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				15,349
Miscellaneous				
Special items				
Extraordinary item - Loss on impairment of capital assets				
Transfers				
Total general revenues, special items, and transfers				15,349
Change in net assets				24,638
Net assets - beginning as restated				752,923
Net assets - ending				\$ 777,561
Statement C				

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007**

Cash flows from operating activities		
Cash received from customers	\$ 424,516	
Cash payments to suppliers for goods and services	(252,751)	
Cash payments to employees for services	(134,859)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		\$ 36,906
Cash flows from non-capital financing activities		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		-
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(2,849)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		(2,849)
Cash flows from investing activities		
Purchases of investment securities	(150,000)	
Proceeds from sale of investment securities	199,861	
Interest and dividends earned on investment securities	17,785	
Net cash provided(used) by investing activities		67,645
Net increase(decrease) in cash and cash equivalents		101,703
Cash and cash equivalents at beginning of year		31,362
Cash and cash equivalents at end of year		\$ 133,065

The accompanying notes are an integral part of this statement.
Statement D (continued)

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ <u>9,289</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	<u>31,418</u>	
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	<u>(5,008)</u>	
Increase(decrease) in accrued payroll and related benefits	<u>65</u>	
Increase(decrease) in compensated absences payable	<u>1,142</u>	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ <u><u>36,906</u></u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	\$ _____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
Total noncash investing, capital, and financing activities:	\$ <u><u>-</u></u>

The accompanying notes are an integral part of this statement.
Statement D (concluded)

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2007**

INTRODUCTION

The Board is a component unit of the State of Louisiana. It was created by Act 208 of the Regular Session of the 1987 Legislature within the Department of Health and Hospitals as provided by Louisiana Revised Statute 37:2401.1. The Board serves as a statewide authority to licenses and regulates the physical therapists and physical therapist assistants practicing in the State of Louisiana. It is also charged with the responsibility to interpret the scope of practice, write regulations and discipline licensees who have violated the law.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Board present information only as to the transactions of the programs of the Board as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Board are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
 Notes to the Financial Statement
 As of and for the year ended June 30, 2007

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>530,630</u>
Amendments:	<u> </u> <u> </u> <u> </u> <u> </u>
Final approved budget	\$ <u><u>530,630</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2007, consisted of the following:

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2007

NOTE: The "Total Bank Balances – All Deposits" will not necessarily equal the "Deposits in Bank Account per Balance Sheet" due to outstanding items.

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ 133,065	\$	\$	\$ 133,065
Bank Balances of Deposits Exposed to Custodial Credit Risk				
a. Uninsured and uncollateralized	\$	\$	\$	\$ -
b. Uninsured and collateralized with securities held by the pledging institution	190,462			190,462
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name				-
Total Bank Balances - All Deposits	\$ 190,462	\$	\$	\$ 190,462

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Chase	Operating	\$ 190,462
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
Total		\$ 190,462

Cash in State Treasury \$ N/A
Petty cash \$ N/A

2. INVESTMENTS

The Board does maintain investment accounts as authorized by Louisiana Revised Statute 33:2955.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

STATE OF LOUISIANA

LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS

Notes to the Financial Statement

As of and for the year ended June 30, 2007

Total investments

* unregistered - not registered in the name of the government or entity

- 3. Derivatives** N/A

- 4. Credit Risk, Interest Rate Risk, Concentration of Credit Risk, and Foreign Currency Risk Disclosures** N/A

- 5. Policies** N/A

- 6. Other Disclosures Required for Investments** N/A

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2007

	Year ended June 30, 2007						
	Balance 6/30/06	Prior Period Adjustment	Adjusted Balance 7/1/06	Additions	Transfers*	Retirements	Balance 6/30/07
Capital assets not being depreciated							
Land	\$	\$	\$ -	\$	\$	\$	-
Non-depreciable land improvements			-				-
Capitalized collections			-				-
Construction in progress			-				-
Total capital assets not being depreciated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other capital assets							
Furniture, fixtures, and equipment	\$ 35,323	\$	\$ 35,323	\$	\$	\$	35,323
Less accumulated depreciation	(25,824)		(25,824)	(3,519)			(29,343)
Total furniture, fixtures, and equipment	<u>9,498</u>	-	<u>9,498</u>	<u>(3,519)</u>	-	-	<u>5,980</u>
Buildings and improvements	1,383		1,383				1,383
Less accumulated depreciation	(553)		(553)	(443)			(996)
Total buildings and improvements	<u>830</u>	-	<u>830</u>	<u>(443)</u>	-	-	<u>387</u>
Computer and related assets	124,016		124,016	2,849			126,865
Less accumulated depreciation	(60,638)		(60,638)	(27,457)			(88,095)
Total depreciable land improvements	<u>63,377</u>	-	<u>63,377</u>	<u>(24,608)</u>	-	-	<u>38,769</u>
Infrastructure			-				-
Less accumulated depreciation			-				-
Total infrastructure	<u>-</u>	-	<u>-</u>	<u>-</u>	-	-	<u>-</u>
Total other capital assets	<u>\$ 73,706</u>	<u>\$ -</u>	<u>\$ 73,706</u>	<u>\$ (28,569)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,136</u>
Capital Asset Summary:							
Capital assets not being depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other capital assets, at cost	160,722	-	160,722	2,849	-	-	163,570
Total cost of capital assets	<u>160,722</u>	-	<u>160,722</u>	<u>2,849</u>	-	-	<u>163,570</u>
Less accumulated depreciation	<u>(87,016)</u>	-	<u>(87,016)</u>	<u>(31,418)</u>	-	-	<u>(118,434)</u>
Capital assets, net	<u>\$ 73,706</u>	<u>\$ -</u>	<u>\$ 73,706</u>	<u>\$ (28,569)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,136</u>

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2007

E. INVENTORIES N/A

F. RESTRICTED ASSETS N/A

G. LEAVE

1. COMPENSATED ABSENCES

The Board has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of full-time service. Accumulated leave is carried forward to succeeding years without limitation. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditure when the leave is earned. Only annual leave is accrued in the accompanying statements of net assets at \$8,953.

2. COMPENSATORY LEAVE

Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no accrued compensatory leave time recorded at June 30, 2007.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service or (c) age 60 with 10 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Covered employees are required to contribute 7.5% of gross salary to the plan, and the Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service is required to contribute at an actuarially determined rate as required by R.S. 11:102. That rate for the fiscal year ended June 30, 2007, was 19.1%. Contributions to the System for the years ending June 30, 2007, 2006, and 2005, were \$22,720, \$18,478, and \$12,806, respectively.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS N/A

J. LEASES

1. OPERATING LEASES

The Board executed a lease for office space beginning on June 1, 2004. It is for a period of ten years payable at \$2,678 per month or \$32,130 annually for the next ten years. For the year ended June 30, 2006, lease payments of \$32,130 were made.

Nature of lease	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 2017	FY 2018 2022
Office space	\$ 32,130	\$ 32,130	\$ 32,130	\$ 32,130	\$ 32,130	\$ 64,260	\$
Total	\$ 32,130	\$ 32,130	\$ 32,130	\$ 32,130	\$ 32,130	\$ 64,260	\$ -

2. CAPITAL LEASES N/A

Year ending June 30 :	Total
2007	\$
2008	
2009	
2010	
2011	
2012-2016	
2017-2021	
2022-2026	
Total minimum lease payments	-
Less amounts representing executory costs	
Net minimum lease payments	-
Less amounts representing interest	
Present value of net minimum lease payments	\$ -

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

Year ending June 30:	Total
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

Year ending June 30:	Total
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

3. LESSOR DIRECT FINANCING LEASES N/A
4. LESSOR – OPERATING LEASE N/A

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2006:

	Balance June 30, 2006	Year ended June 30, 2007		Balance June 30, 2007	Amounts due within one year
		Additions	Reductions		
Notes and bonds payable:					
Notes payable	\$	\$	\$	\$	\$
Reimbursement contracts payable					
Bonds payable					
Total notes and bonds	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Other liabilities:					
Contracts payable					
Compensated absences payable	7,812	7,619	6,478	8,953	—
Capital lease obligations					
Claims and litigation					
Liabilities payable from restricted assets					
Other long-term liabilities					
Total other liabilities	<u>7,812</u>	<u>7,619</u>	<u>6,478</u>	<u>8,953</u>	<u>—</u>
Total long-term liabilities	<u>\$ 7,812</u>	<u>\$ 7,619</u>	<u>\$ 6,478</u>	<u>\$ 8,953</u>	<u>\$ —</u>

L. CONTINGENT LIABILITIES N/A

M. RELATED PARTY TRANSACTIONS N/A

N. ACCOUNTING CHANGES N/A

O. IN-KIND CONTRIBUTIONS N/A

P. DEFEASED ISSUES N/A

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
	\$
Total	\$

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

Q. COOPERATIVE ENDEAVORS N/A

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) N/A

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS N/A

T. SHORT-TERM DEBT N/A

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2007, were as follows:

Fund	Customer Receivables	Taxes	Receivables from other Governments	Interest	Total Receivables
Enterprise	\$	\$	\$	\$ 10,822.48	\$ 10,822.48
					-
Gross receivables	\$ -	\$ -	\$ -	\$ 10,822.48	\$ 10,822.48
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ -	\$ -	\$ 10,822.48	\$ 10,822.48
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2007, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Operating	\$ 9,597	\$ 868	\$	\$	\$ 10,466
					-
Total payables	\$ 9,597	\$ 868	\$ -	\$ -	\$ 10,466

W. SUBSEQUENT EVENTS

There were no events affecting the Board occurring between the close of the fiscal period and issuance of the financial statement.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

X. SEGMENT INFORMATION

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment: licenses

A. Condensed balance sheet:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ 143,887	\$
Due from other funds		
Capital assets	45,136	
Other assets	607,957	
Current liabilities	10,466	
Due to other funds		
Long-term liabilities	8,954	
Restricted net assets		
Unrestricted net assets	732,425	
Invested in capital assets, net of related debt	45,136	

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ 424,516	\$
Operating expenses	383,809	
Depreciation and amortization	31,418	
Operating income (loss)	9,289	-
Nonoperating revenues (expenses)	15,349	
Capital contributions/additions to permanent and term endowments		
Special and extraordinary items		
Transfers in		
Transfers out		
Change in net assets	24,638	-
Beginning net assets	752,923	
Ending net assets	777,561	-

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ 36,906	\$
Net cash provided (used) by noncapital financing activities		
Net cash provided (used) by capital and related financing activities	(2,849)	
Net cash provided (used) by investing activities	67,645	
Beginning cash and cash equivalent balances	31,362	
Ending cash and cash equivalent balances	133,065	-

Y. DUE TO/DUE FROM AND TRANSFERS N/A

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS N/A

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS N/A

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46) N/A

CC. IMPAIRMENT OF CAPITAL ASSETS N/A

DD. EMPLOYEE TERMINATION BENEFITS N/A

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 2007
(Fiscal Close)

<u>Name</u>	<u>Amount</u>
Adcock, Barbara	\$ 2,100
Brown, Mark	2,050
Drury, Todd	1,250
Williams, Kara	1,700
	\$ <u>7,100</u>

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2007
(Fiscal Close)**

<u>Description of Funding</u>	<u>Amount</u>
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ _____

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE**

**June 30, 2007
(Fiscal Close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	N/A Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
SCHEDULE OF NOTES PAYABLE
June 30, 2007
(Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
SCHEDULE OF BONDS PAYABLE
June 30, 2007
(Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
SCHEDULE OF REIMBURSEMENT CON
TRACTS PAYABLE AMORTIZATION
For The Year Ended June 30, 2007
(Fiscal Close)

N/A

Fiscal Year			
<u>Ending:</u>	<u>Principal</u>		<u>Interest</u>
2007	\$		\$
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
Total	\$	--	\$

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2007

<u>Fiscal Year</u> <u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2007	\$ _____	\$ _____	\$ _____	\$ _____
2008	_____	_____	_____	_____
2009	_____	_____	_____	_____
2010	_____	_____	_____	_____
2011	_____	_____	_____	_____
2012-2016	_____	_____	_____	_____
2017-2021	_____	_____	_____	_____
2022-2026	_____	_____	_____	_____
2027-2031	_____	_____	_____	_____
 Total	 \$ _____	 \$ _____	 \$ _____	 \$ _____

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2007

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2007	\$ _____	\$ _____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012-2016	_____	_____
2017-2021	_____	_____
2022-2026	_____	_____
2027-2031	_____	_____
 Total	 \$ _____	 \$ _____

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2007

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ _____	\$ _____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
Total	\$ _____	\$ _____

STATE OF LOUISIANA

LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2007</u>	<u>2006</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>424,516</u>	\$ <u>426,342</u>	\$ <u>(1,826)</u>	<u>1%</u>
Expenses	<u>415,227</u>	<u>387,161</u>	<u>28,066</u>	<u>8%</u>
2) Capital assets	<u>45,136</u>	<u>73,706</u>	<u>(28,570)</u>	<u>39%</u>
Long-term debt	<u>8,954</u>	<u>7,812</u>	<u>1,142</u>	<u>5.0%</u>
Net Assets	<u>777,561</u>	<u>752,923</u>	<u>24,638</u>	<u>4%</u>
Explanation for change:	<hr/> <hr/> <hr/> <hr/>			

SCHEDULE 15